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STATE OF DELAWARE
PUBLIC SERVICE COMMISSION

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September 29, 2010

Marlene H. Dorch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A306
Washington, DC 20554

RE: Certification of Support for Rural and Non-Rural High – Cost Carriers Pursuant to 47 C.F.R. Sections 54.313-314, CC Docket Nos. 96-45 and 00-256

Dear Ms. Dorch:

The Delaware Public Service Commission (DE PSC) hereby certifies that all federal high cost support provided to rural and non-rural carriers in this state will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with Section 254 (e) of the Communications Act of 1934, as amended. This includes High Cost Loop (HCL) support, Local Switching Support (LSS), High Cost Model (HCM) support, and the high cost support received pursuant to the purchase of exchanges.

Attached are the rural and non-rural carriers certified by the DE PSC pursuant to sections 54.313 and 54.314 of the FCC's rules (47 C.F.R. §§ 54.313, 54.314), which require states to establish an annual certification process for rural and non-rural carriers receiving federal high cost support. As requested by the Universal Service Administrative Company, listed beside each carrier is its assigned study area code (SAC).

Should you have any questions regarding the attached information, please feel free to contact me at 302-736-7551 or jim.strong@state.de.us.

Sincerely,

A handwritten signature in black ink that reads "James S. Strong".

Public Utilities Analyst

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List ABCDE

Delaware Public Service Commission ETC Information Sheet

There are no Rural ETCs in Delaware.

Information for Delaware's only Non-Rural ETC is provided immediately below:

The only certificated ETC in Delaware is Verizon Delaware LLC, the incumbent LEC for the entire state of Delaware.

Certificated Non-rural ETC's in Delaware Accompanied by its SAC No. is provided immediately below:

1. Verizon Delaware LLC (SAC No. 565010).

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BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
VERIZON DELAWARE INC., TO MODIFY THE)
LIFELINE SERVICE BY ADDING AN INCOME) PSC DOCKET NO. 05-016T
QUALIFIER TO THE ELIGIBILITY CRITERIA)
(FILED JUNE 17, 2006))

ORDER NO. 6736

This 11th day of October, 2005, the Commission determines and Orders the following:

1. In the jargon of the federal Lifeline/Link-Up program, Delaware is a "federal default State." Delaware has never, by either state law or state regulation, ordained, nor funded, a stand-alone program to provide discounts on basic telephone service charges for low-income subscribers. Consequently, it was not until 1997, when the Federal Communications Commission ("FCC") revamped the federal Lifeline/Link-Up program, that Delaware subscribers first became eligible for participation in the federal Lifeline program.¹ And given that in a "federal default State" only federally-raised monies are used to reimburse eligible carriers for the Lifeline and Link-Up discounts, it is the FCC, and not the state commission, that gets to call the tune about who should be eligible to receive these federally-subsidized price reductions.

2. Since 1997, Verizon Delaware Inc. ("VZ-DE") has been designated as an "eligible telecommunications carrier" and has offered

¹See PSC Order No. 4664 (Dec. 16, 1997) (summarizing Delaware history and electing to allow "Tier 2" federal support to eligible Delaware subscribers).

federal Lifeline discounts on the federal list of supported services.³

And even though in "default" state, Lifeline is almost an exclusively federal program, VZ-DE has, since 1997, filed at the state level, tariff provisions setting forth its Lifeline offerings.⁴

3. In 2004, the FCC changed some of the "eligibility" rules describing which subscribers may participate in the federal Lifeline/Link-Up program.⁵ In particular, the 2004 amendments added additional programs to the list of "eligible" programs where participation confers federal default Lifeline/Link-Up eligibility.⁶ The 2004 amendments also introduced an additional eligibility criteria premised on the subscriber's household income.⁷ Eligible telecommunications carriers, such as VZ-DE, were given one year to implement this new, additional income-based eligibility criteria.⁸

4. To implement these changes prescribed by the FCC, VZ-DE initially filed revisions to the Lifeline and Link-Up portions of its

³See PSC Order No. 4680 (Dec. 17, 1997) ("NYC designation for VZ-DE"). See also FCC Okt. No. 97-0217 (initial Lifeline tariff filing by VZ-DE).

⁴From December 2000 through December 2003, VZ-DE offered, under its state tariff, an "expanded" Lifeline program for Delaware. The discounts under such program exceeded the Tiers 1 & 3 levels normally available in a default State. VZ-DE offered this expanded program to fulfill a condition imposed by the FCC in approving the Bell Atlantic-GTE merger. See PSC Order No. 6317 (Dec. 9, 2001) (explaining, content and cause of this expanded Lifeline offering). Whether Delaware remained a "default state" during this period when VZ-DE subsidized the deeper discounts is an issue that need now be explored or resolved. This "expanded" program ended in December 2003.

⁵In the Matter of Lifeline and Link-Up, Report and Order and Further NPRM, 19 FCC Rcd. 8302 (FCC 2004) ("Lifeline Order").

⁶7 C.F.R. §§ 54.409(b), 54.410 (Lifeline); 54.415(b), 54.416 (Link-Up).

⁷7 C.F.R. §§ 54.410(a)(1), 54.416.

State tariff. These changes incorporated into the State tariff provisions the expanded list of "eligibility-conferring" programs.¹³ At the same time, the Commission Staff began discussions with VZ-DE to determine whether, under the applicable federal default rules, it was appropriate for VZ-DE to continue to include in its State tariff Lifeline provisions language that conditioned Lifeline eligibility on the subscriber foregoing the ability to purchase many optional or vertical services.¹⁴ Eventually, VZ-DE revised its State tariff Lifeline provisions to delete the questioned restrictions.¹⁵ Then in June 2005, VZ-DE filed another Tariff review to reflect its implementation of the household-income criteria for eligibility for Lifeline and Link-Up discounts.¹⁶ Finally, on September 9, 2005, VZ-DE submitted another set of revised tariff sheets reflecting further textual revisions, as originally suggested by Staff. In part, these final changes sought to make the State tariff's description of how VZ-DE would administer its Lifeline/Link-Up program to more closely parallel the governing federal default rules.¹⁷

¹³See PSC Dkt. No. 04-017F (filed July 26, 2004; eff. July 27, 2004).

¹⁴That restriction - limiting Lifeline subscribers to a small group of designated vertical services - had been a continual part of VZ-DE's state-tariffed Lifeline offerings since 1997. In its Lifeline Order, the FCC expressed its belief that "any restriction on the purchase of vertical services may discourage qualified consumers from enrolling and may serve as a barrier to participation in the [Lifeline] program. Lifeline Order at ¶ 53.

¹⁵See PSC Dkt. No. 05-008T (filed April 6, 2005; eff. April 16, 2005).

¹⁶See PSC Dkt. No. 05-016T (filed June 17, 2005; eff. June 22, 2005).

¹⁷See PSC Dkt. No. 05-016T, amended tariff sheets filed on September 9, 2005 but with effective date of June 22, 2005).

5. The Commission enters this Order not so much to "approve" the various Lifeline filings made by VZ-DE but to recount the course of the filings made since the FCC changed its federal Lifeline/Link-Up program in 2004. Indeed, given that Delaware is a "default" State, VZ-DE's Lifeline/Link-Up offerings are governed more by the federal default rules than by any "approved" State tariff provision. Any State tariff provision that might conflict with a federal default rule would necessarily have to yield. However, the Commission will accept the Lifeline and Link-Up tariff filings lodged by VZ-DE. The Commission believes that VZ-DE's last submission (in September 2005) sets forth a Lifeline and Link-Up offering that is consistent with the federal default rules. However, the filing and acceptance of the State tariff provisions should not be seen as foreclosing any later challenge that VZ-DE's program falls short of the federal directives.

Now, therefore, IT IS ORDERED:

1. That, as explained in the body of this Order, the Commission accepts the tariff filings made by Verizon Delaware Inc., to implement its responsibilities to provide federal Lifeline and Link-Up in this "federal default" jurisdiction. In particular, the Commission now accepts the tariff revision filing made September 9, 2005 pertaining to the following leaves in P.S.C.-Del.-No. 1:

Section 20D, Fourteenth Revised Sheet 1 (Link-Up);

Section 20D, Fifth Revised Sheet 2 (Link-Up); and

Section 20E, Eighth Revised Sheet 2 (Lifeline).

2. That the Commission reserves the jurisdiction and authority
to enter such further Orders in this matter as may be deemed necessary
or proper.

BY ORDER OF THE COMMISSION:

Chellie McRae

Chair

Vice Chair

Jean Conway

Commissioner

Jane R. L.

Commissioner

Jane R. L.

Commissioner

ATTEST:

Norma J. Sherwood
Acting Secretary